

Requirement 1(E)



Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities

Information as of August 31, 2021

September 30, 2021

Disclaimer

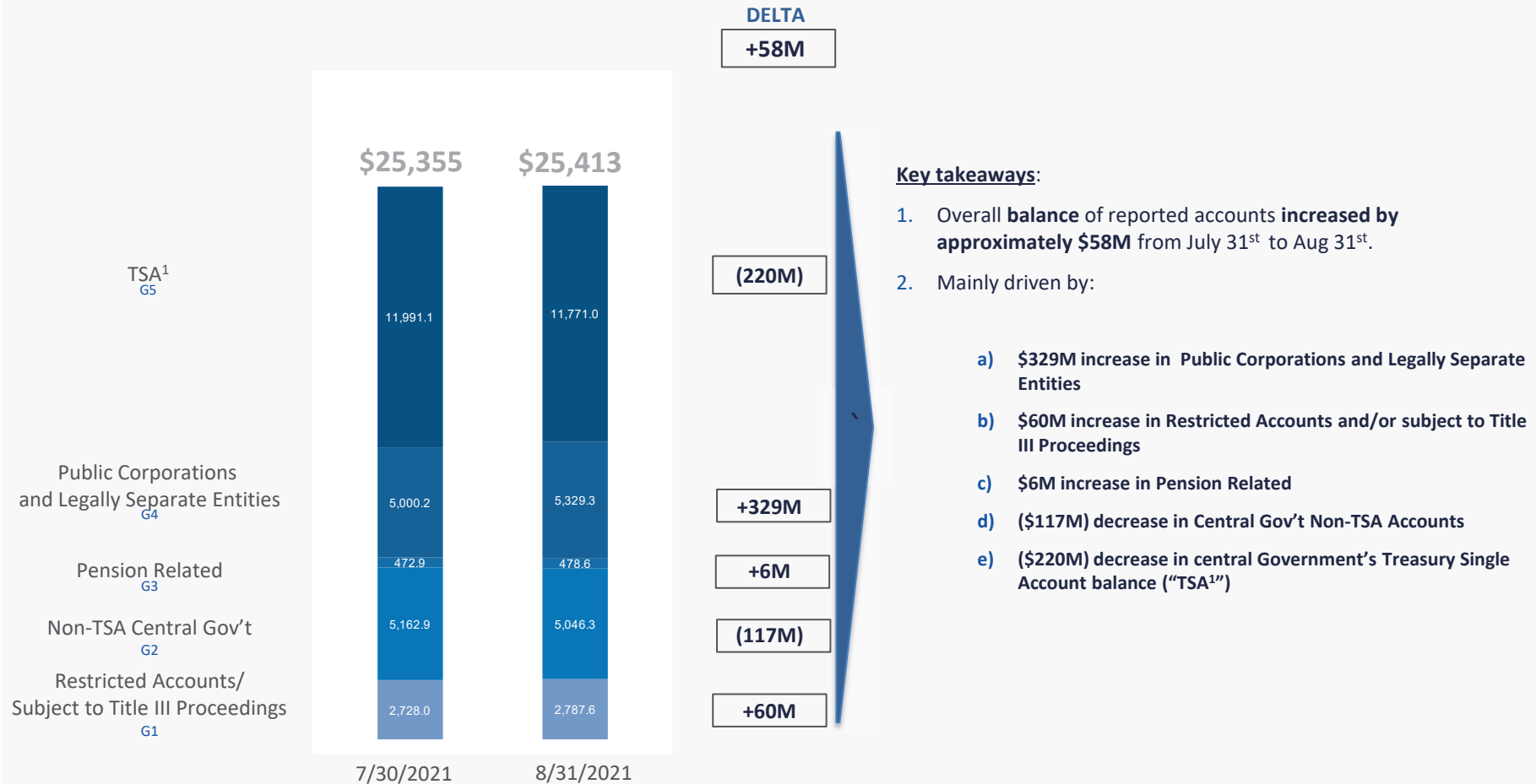
- This presentation was prepared and is being published by the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) as part of the ongoing evaluation of financial matters of the Government of Puerto Rico, including certain of its public corporations and its instrumentalities (the “Government”). The information contained herein provides the cash balances of Government accounts as of the dates indicated but is not intended to provide an analysis of the source of these funds or their adequacy to satisfy the Government’s liquidity needs. Government creditors and other third parties should not rely on this information to make any investment decision regarding securities issued by the Government or any instrumentality thereof.
- The account balances included herein are based on information AAFAF obtained from governmental instrumentalities and financial institutions as of the dates indicated as part of an ongoing review of the bank accounts and balances of the Government and its instrumentalities. AAFAF has not validated all the information received and, as a result, cannot and does not assume any responsibility for the accuracy of such information. As additional information becomes available and the validation process is completed, there could be material changes to the information contained herein.
- The account balances included herein are provided to show the cash position as of specific dates, and this presentation does not purport to provide, nor take into consideration, any changes since such dates. Such balances are expected to change, potentially materially, on a day-to-day basis based on, among other things, the financial needs of the Government and its instrumentalities, as well as judicial determinations regarding such funds.
- The information contained herein regarding the restricted or unrestricted nature of any cash balance is preliminary and subject to further analysis.
- The account balances included herein have not been confirmed through an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants or any other organization.
- This document does not constitute an audit of compliance with any Federal law, rule, or regulation.

Disclaimer (cont'd.)

- Nothing in this document shall be considered a solicitation, recommendation or advice to any person to participate, pursue or support a particular course of action or transaction, to purchase or sell any security, or to make any investment decision.
- AAFAF, the Government, and each of their respective officers, directors, employees, agents, attorneys, advisors, members, partners or affiliates (collectively, with AAFAF and the Government, the “Parties”) make no representation or warranty, express or implied, to any third party with respect to the information contained herein, and all Parties expressly disclaim any such representations or warranties.
- The Parties do not owe or accept any duty or responsibility to any reader or recipient of this presentation, whether in contract or tort, and shall not be liable for or in respect of any loss, damage (including, without limitation, consequential damages or lost profits) or expense of whatsoever nature of such third party that may be caused by, or alleged to be caused by, the use of or reliance upon this presentation or that is otherwise consequent upon the gaining of access to this document by such third party.
- By receiving this document, the recipient shall be deemed to have acknowledged and agreed to the terms described in the “Disclaimer” slides.
- This document may contain capitalized terms that are not defined herein, or may contain terms that are discussed in other documents or that are commonly understood. You should make no assumptions about the meaning of capitalized terms that are not defined.
- The Parties do not undertake any duty to update the information contained herein.

Executive Summary

\$ in millions



¹ Includes TSA Sweep Accounts.

* Refer to the groupings, 'G', as they summarize the current classifications presented in detail on Slide 7.

Executive Summary (cont'd.)

- AAFAF started its efforts to identify government bank accounts and their balances to obtain a comprehensive view of the cash position of the Government. Requests were sent to governmental instrumentalities, the Office of the Commissioner of Financial Institutions ("OCIF") and various commercial banks.
- Based on the information obtained, AAFAF prepared an inventory of bank accounts across governmental instrumentalities, including those outside the scope of the fiscal plans submitted to the Financial Oversight and Management Board for Puerto Rico ("FOMB").
- The exercise and the inventory described in this presentation, which had not been conducted by prior administrations, obtained **information on +800 bank accounts**. AAFAF now has centralized access to bank account information for most of the Government.
- AAFAF has conducted this process in consultation with the FOMB and its advisors, and has been providing periodic reports to the FOMB since July 2017.
- On October 31, 2017, AAFAF commenced publishing weekly cash flow reports for the TSA on its website and EMMA. On December 18, 2017, AAFAF commenced reporting on month-end cash balance position of the bank accounts included in this presentation to provide additional transparency.
- On December 18, 2017, the FOMB announced that it would conduct an independent forensic investigation of the information on Government bank accounts published by AAFAF. On February 6, 2018, the FOMB announced the retention of Duff & Phelps, LLC ("D&P") to conduct this forensic analysis.
- D&P published an *"Independent Forensic Analysis Team" Report on Title III Bank Accounts as of June 30, 2018*, on March 12, 2019. AAFAF takes no position in this summary on the D&P Report.
- The information presented excludes certain funds as set forth in the "Excluded Funds" slide.

Excluded Funds

Agency	Description
Legislative Branch	<ul style="list-style-type: none">The Puerto Rico Legislative Assembly receives monthly transfers from the General Fund to fund its operations based on budgetary appropriations.
Judicial Branch	<ul style="list-style-type: none">The Puerto Rico Judicial Branch receives monthly transfers from the General Fund to fund its operations based on budgetary appropriations. The Judicial Branch also holds funds in custody related to legal proceedings.
Municipal Funds	<ul style="list-style-type: none">Municipal funds include funds of Puerto Rico municipalities, the Municipal Revenue Collections Center and the Puerto Rico Municipal Finance Agency.
Government Development Bank	<ul style="list-style-type: none">GDB was the subject of a Qualifying Modification which went effective on November 29, 2018. No funds either held by GDB or transferred to any entity as a result of the Qualifying Modification are accounted for herein.
Investment Accounts	<ul style="list-style-type: none">Various investment accounts are included for certain instrumentalities (e.g. ERS, TRS, JRS, State Insurance Fund Corporation and Automobile Accident Compensation Administration, UPR).

Bank Account Balances for the Government and its Instrumentalities

\$ in millions		Balance as of		Notes
Revised Grouping		7/30/2021	8/31/2021	
G5	TSA	11,769.6	11,580.2	<ul style="list-style-type: none"> Reported on a weekly basis on AAFAF's website.
G5	TSA Sweep	221.5	190.7	<ul style="list-style-type: none"> TSA sweep includes the Gen Tax sweep account which holds unreconciled general fund revenues and the SUT sweep account which holds unreconciled SUT amounts. Both accounts are regularly swept into the TSA or other accounts as described on the following slide.
G3	Pension Related	472.9	478.6	<ul style="list-style-type: none"> Accounts classified as 'Other PR Treasury Custody Accounts' grouped as Pension Related, mainly comprised of two (2) bank accounts held for the deposits of repayment of employee loans issued by the Retirement Systems. \$345M on the account for employee loans repayment issued by the ERS, and \$120M account balance for employee loans repayment issued by the TRS.
G2	Central Gov't Non-TSA	5,162.9	5,046.3	<ul style="list-style-type: none"> \$2,177M American Rescue Plan Act Federal Funds. \$449M Cares Act COVID-19 related Federal Funds. \$539M Federal funds administered by the Public Housing Authority. \$412M in Emergency Rental Assistance Program PR Unemployment Trust Fund at US Treasury of \$293M. \$248M lottery related funds. \$92M under Child Support Administration
G1				<ul style="list-style-type: none"> The balance shown on the COFINA accounts as of 8/31/21 reflects operational funds post-effectiveness of the COFINA Plan.
G1	COFINA	21.7	21.7	
G1	Other Restricted Title III Accounts	999.6	1,046.4	<ul style="list-style-type: none"> ERS related accounts of \$300M, \$600M GO Redemption Fund account, and \$147M in claw back funds.
G4				
G1	PREPA	1,416.5	1,450.7	<ul style="list-style-type: none"> Refer to the PREPA slide for breakdown of classified accounts.
G4	PRASA	802.2	824.6	<ul style="list-style-type: none"> Refer to the PRASA slide for breakdown of classified accounts.
	HTA	290.2	268.8	<ul style="list-style-type: none"> Refer to the HTA slide for breakdown of classified accounts.
G4	UPR	306.0	365.6	<ul style="list-style-type: none"> Refer to the UPR slide for breakdown of classified accounts.
G4	ASES	204.1	362.6	<ul style="list-style-type: none"> State and Federal funds used mainly for payments of health insurance premiums and claims.
	Other Public Corps & Legally Separate Entities	3,687.8	3,776.4	<ul style="list-style-type: none"> Government entities with autonomous fiscal authority established by law. Slides 17 and 20 include an overview of the entities and balances.
TOTAL		\$25,355M	\$25,413M	

* Refer to the groupings, 'G', as they are summarized on Slide 4.

TSA, TSA Sweep and Pension Related Accounts

\$ in millions	Balance as of		Notes
Grouping Subcategory	7/30/2021	8/31/2021	
TSA	11,769.6	11,580.23	<ul style="list-style-type: none"> The TSA is the Government's main operational bank account in which a majority of receipts from governmental funds are deposited and from which most expenses are disbursed. It includes tax collections, charges for services, intergovernmental collections and amongst other receipts and deposits.
TOTAL	\$11,770M	\$11,580M	

TSA Sweep Accounts¹:

General & Agency Collections	-	-	<ul style="list-style-type: none"> Accounts used for Government receipts from all the collection posts Island wide and the web based platform, 'Colecturía Virtual' receipts in collections posts account, and for receipts of amounts collected by collection officers at the agencies mainly for charges for services and fees; swept daily to the TSA.
SUT	45.6	37.7	<ul style="list-style-type: none"> Account used for consolidated receipts of Sales and Use Tax. Balances are swept on a daily basis into accounts held by the trustee of the COFINA bonds, the General Fund and/or the Municipal Administration Fund.
Gen Tax	175.9	153.1	<ul style="list-style-type: none"> SURI GenTax Account. Balances are swept periodically to the TSA, numerous times each month upon completion of reconciliations for distribution.
TOTAL	\$221M	\$191M	

Pension Related:

Employee Withholding	472.8	478.6	<ul style="list-style-type: none"> Accounts classified as 'Other PR Treasury Custody Accounts' grouped as Pension Related, mainly comprised of two (2) bank accounts held for the deposits of repayment of employee loans issued by the Retirement Systems. \$345M on the account for employee loans repayment issued by the ERS, and \$120M account balance for employee loans repayment issued by the TRS.
Pay-go charges	-	-	<ul style="list-style-type: none"> Pay-go charges include balances from payments made by municipalities and public corporations in connection with benefits paid to retirees. These Pay-Go related charges are being deposited in a separate account and are programmed to sweep back to the TSA account for reimbursement of pension payments pertaining to Municipalities and Public Corporations.
TOTAL	\$473M	\$479M	

¹ Includes Zero Balance Accounts which are accounts used for disbursements of vendors payments, payroll and pensions. These accounts make disbursements and are automatically replenished from the TSA account.

Central Government – Non-TSA

\$ in millions			
Central Government Entity	Balance as of		Notes
	7/30/2021	8/31/2021	
Public Housing Administration	540.9	539.1	<ul style="list-style-type: none"> PHA accounts include grants of Federal funds received to finance public housing programs and their operations.
Other Treasury Custody Accounts	3,356.2	3,198.5	<ul style="list-style-type: none"> Other Treasury Custody Accounts include balances from the Lotteries and the newly opened COVID-19 related accounts.
Department of Labor and Human Resources	632.9	647.7	<ul style="list-style-type: none"> DLHR accounts include operational accounts and other funds as follows: <ul style="list-style-type: none"> \$301M PR Unemployment Trust Fund at US Treasury as of Aug M/E. Work Opportunity Incentive Fund to finance an incentive program to promote job creation. Contribution Trust Fund from employers' receipts used to pay claims to employees. Act No. 15 special revenues for operations.
Child Support Administration	92.2	91.9	<ul style="list-style-type: none"> Custody bank account containing child support payments from non-custodial parents.
Puerto Rico Police	29.3	40.2	<ul style="list-style-type: none"> Bank account used to process Police Department payroll funded through budget appropriations.
Department of Housing	34.6	31.0	<ul style="list-style-type: none"> DOH accounts include grants of Federal funds received to finance public housing programs and their operations.
DDEC	97.7	97.2	<ul style="list-style-type: none"> DDEC accounts include operational accounts from General Fund appropriations and internally generated revenues, Act No. 22-2012, film program and Federal funds.
9-1-1 Services	42.5	44.2	<ul style="list-style-type: none"> 9-1-1 Services account represents their operational account from special revenues (Act 144-1994).
Other Non-TSA Entities	336.5	356.5	<ul style="list-style-type: none"> Description included in Appendix B.
TOTAL	\$5,163M	\$5,046M	

COFINA

\$ in millions

	<i>Balance as of</i>	
	<i>7/30/2021</i>	<i>8/31/2021</i>
COFINA - Post-effectiveness of the Plan of Adjustment.	\$21.7M	\$21.7M

- The Puerto Rico Sales Tax Financing Corporation (“COFINA”) was created pursuant to Act No. 91-2006, as amended, and, prior to the commencements of its Title III proceeding, had issued bonds payable solely from a portion of the sales and use tax imposed by the Government on qualified transactions.
- Sales and use tax collections are consolidated at an account at Banco Popular de Puerto Rico (“BPPR”).
- The United States District Court for the District of Puerto Rico confirmed the Third Amendment Title III Plan of Adjustment of the Debts of Puerto Rico Sales Tax Financing Corporation (the “COFINA Plan”) by amended order dated February 5, 2019. The COFINA Plan became effective on February 12, 2019.
- Given the resolution of ownership of future SUT by the COFINA Plan, COFINA bank account balances held by the trustee (other than operational or other unrestricted funds) are not included in this summary.
- The balance shown on the COFINA accounts reflects operational funds post-effectiveness of the COFINA Plan.

Restricted Accounts Subject to Title III Proceedings

\$ in millions		<i>Balance as of</i>		<i>Notes</i>
<i>Grouping</i>	<i>Subcategory</i>	<i>7/30/2021</i>	<i>8/31/2021</i>	
ERS Related Accounts				
		296.8	300.1	<ul style="list-style-type: none"> \$82M distributed across 14 operational accounts for the ERS. \$111M relating to proceeds from sale of investments. \$95M corresponding to a Post-petition Segregated Account created as part of a stipulation entered into as part of the Title III proceedings.
GO Redemption Funds				
		556.1	599.7	<ul style="list-style-type: none"> Revenues from the 1.03% property tax collected since fiscal year 2017 and deposited in the Public Debt Redemption Fund.
Claw back				
		146.6	146.6	<ul style="list-style-type: none"> \$147M corresponding to revenues retained (or “clawed-back”) by the Government in fiscal year 2016 pursuant to Executive Order 2015-46 for the payment of General Obligation debt.
TOTAL		\$999M	\$1,046M	

The aforementioned funds are held in segregated accounts and most of them are subject to various claims under the Title III proceedings. The ultimate use of the funds may be subject to court determination.